

§ 359.18 Is the determination of the Secretary on rates and values final?

The Secretary's determination of fixed rates of return, semiannual inflation rates, composite rates, and savings bonds redemption values is final and conclusive.

§ 359.19 How is interest calculated?

We base all calculations of interest on a \$25 unit. We use the value of this unit to determine the value of bonds in higher denominations. The effect of rounding off the value of the \$25 unit increases at higher denominations. This can work to your slight advantage or disadvantage, depending on whether we round the value up or down.³

§§ 359.20–359.24 [Reserved]**Subpart B—Definitive Series I Savings Bonds****§ 359.25 What are the denominations and prices of definitive Series I savings bonds?**

Definitive bonds are issued in denominations of \$50, \$75, \$100, \$200, \$500, \$1,000, \$5,000, and \$10,000. These bonds are sold at par; that is, the purchase price is the same as the denomination (face value).

§ 359.26 When are definitive Series I savings bonds validly issued?

A definitive bond is validly issued when it is registered as provided in part 360, and when it bears an issue date and the validation indicia of an authorized issuing agent.

³For example: A composite rate of 2.57% will result in a newly purchased \$25 unit increasing in value after six months to \$25.32, when rounded to the nearest cent. Thus, a \$5,000 bond purchased at the same time as the \$25 unit will be worth \$5,064 after six months ($[\$5,000 \text{ divided by } \$25] \times \$25.32 = \$5,064$.) In contrast, if it applied directly to a \$5,000 bond, the rate would render a value of \$5,064.25 after six months, a difference of 25 cents. (This example does not include any discussion of the three-month interest penalty that applies if you redeem a bond less than five years after its issue date.)

§ 359.27 What is the issue date of a definitive Series I savings bonds?

The issue date of a definitive bond is the first day of the month in which an authorized issuing agent receives payment of the issue price.

§ 359.28 Are taxpayer identification numbers (TINs) required for the registration of definitive Series I savings bonds?

The inscription of a definitive bond must include the TIN of the owner or first-named co-owner. If the bond is being purchased as a gift or award and the owner's TIN is not known, the TIN of the purchaser must be included in the inscription on the bond.

§ 359.29 What amount of definitive Series I savings bonds may I purchase per year?

The principal amount of definitive bonds that may be purchased in the name and TIN of any person, in any calendar year, is limited to \$30,000.

§ 359.30 Are definitive Series I savings bonds purchased in the name of an individual computed separately from bonds purchased in a fiduciary capacity?

We compute the purchases of bonds in the name of any person in an individual capacity separately from purchases in a fiduciary capacity (for instance, as representative for the estate of an individual).

§ 359.31 What definitive Series I savings bonds are included in the computation?

In computing the purchases for each person, we include the following outstanding definitive bonds purchased in that calendar year:

- (a) All bonds registered in the name of and bearing the taxpayer identification number (TIN) of that person alone or as co-owner;
- (b) All bonds registered in the name of the representative of the estate of that person and bearing that person's TIN; and
- (c) All gift bonds registered in the name of that person but bearing the TIN of the purchaser.